

Law Offices  
BLOOSTON, MORDKOFKY, DICKENS, DUFFY & PRENDERGAST, LLP  
2120 L Street, NW, SUITE 300  
WASHINGTON, DC 20037

BENJAMIN H. DICKENS, JR.\*  
JOHN A. PRENDERGAST  
GERARD J. DUFFY  
RICHARD D. RUBINO  
MARY J. SISAK  
D. CARY MITCHELL  
SALVATORE TAILLEFER, JR.

(202) 659-0830  
FACSIMILE: (202) 828-5568

ARTHUR BLOOSTON  
1914 – 1999

\*ALSO ADMITTED IN FLORIDA

AFFILIATED SOUTH AMERICAN OFFICES

ESTUDIO JAUREGUI & ASSOCIATES  
BUENOS AIRES, ARGENTINA

HAROLD MORDKOFKY  
OF COUNSEL

EUGENE MALISZEWSKYJ  
ENGINEERING CONSULTANT

WRITER'S CONTACT INFORMATION

mjs@bloostonlaw.com

**REDACTED – FOR PUBLIC INSPECTION**

October 31, 2017

**CC Docket No. 80-286**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW  
Room TW-A325  
Washington, DC 20554

**Re: Rule Section 0.459 Request for Confidential Treatment**

**CC Docket No. 80-286**

**Petition of Terral Telephone Company, Inc. For Waiver of 47 C.F.R. Sections  
36.3, 36.123-126, 36.141, 36.152-157, 36.191 and 36.372-382 to Unfreeze Part  
36 Category Relationships**

Dear Ms. Dortch:

Terral Telephone Company, Inc. (Terral), by its attorney, hereby requests, pursuant to Section 0.459 of the Commission's Rules, that the Company's updated financial information filed on October 31, 2017, in connection with the above-referenced waiver petition be withheld from public inspection and afforded confidential treatment. Because of the competitively sensitive nature of the information, Terral seeks to maintain confidentiality for the updated financial information it is submitting to the Commission in connection with the waiver petition. The unredacted information has been marked **CONFIDENTIAL INFORMATION – NOT FOR PUBLIC INSPECTION**. A redacted version for public inspection and marked **REDACTED- FOR PUBLIC INSPECTION**, has been submitted via the FCC's electronic filing system.

In accordance with Section 0.459(b) of the Commission's Rules, the Company states:

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1. Information for which confidential treatment is sought and proceeding.

The specific information for which confidentiality is sought is the information concerning changes in special access revenue if the waiver is granted.

2. Degree to which the information is commercial or financial or contains a trade secret or is privileged.

The information for which Terral seeks confidential treatment is competitively sensitive data that Terral maintains as confidential and does not make available to the public. The information is competitively sensitive special access revenue information which, if made available to competitors and alternative providers, would provide such entities with valuable information regarding Terral's customer base and plans. This information would assist competitors in targeting their marketing efforts. Terral is subject to potential competition with respect to its services. The special access revenue information provides insight into Terral's strategy and degree of success with specific types of services in its service area. If competitors are able to gain an unfair advantage by obtaining such a detailed picture of Terral's strategies and successes, they may be able to anticipate Terral's strategic initiatives in a targeted way. Thus, the filing contains information about the company's business plans that is clearly "commercial" and "financial" in nature. The information is confidential and entitled to protection because the disclosure of the information is likely to cause substantial harm to the competitive position of the person from whom the information is obtained.

3. Degree to which the information concerns a service that is subject to competition; and manner in which disclosure of the information could result in substantial competitive harm.

As shown above, the information for which Terral seeks confidential treatment is competitively sensitive information which, if made available to competitors and alternative providers, would provide those entities with valuable information concerning Terral's customer base and strategic plan.

4. Measures taken by Terral to prevent unauthorized disclosure and availability of the information to the public.

As shown above, Terral maintains the data for which confidential treatment is requested as confidential and does not make it available to the public.

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5. Justification of the period during which Terral asserts the material should not be available for public disclosure.

Terral requests that this information be accorded confidential treatment until such time as it is publicly disclosed by Terral. An indefinite period of confidentiality is required because the information provides insight into the Company's confidential strategies and business successes even after the period has expired.

All correspondence and inquiries in connection with this request should be addressed to Terral's counsel, whose facsimile number is 202-828-5568 and whose email address is [mjs@bloostonlaw.com](mailto:mjs@bloostonlaw.com).

Respectfully submitted,  
Terral Telephone Company, Inc.

/s/Mary J. Sisak  
Its Attorney

Law Offices  
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INFORMATION

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mjs@bloostonlaw.com  
202-828-5554

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October 31, 2017

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: *Ex Parte* Presentation in CC Docket No. 80-286  
Petition of Terral Telephone Company, Inc. For Waiver of 47 C.F.R. Sections  
36.3, 36.123-126, 36.141, 36.152-157, 36.191 and 36.372-382 to Unfreeze Part 36  
Category Relationships**

Dear Ms. Dortch:

In the above-referenced waiver petition filed by Terral Telephone Company, Inc. (Terral) in August 2012, Terral provided information concerning the impact of the waiver on the universal service fund and the NECA pool for special access services and the expected changes to the proportion of net investment that would be allocated to the intrastate jurisdiction and the interstate jurisdiction. Terral updated this information to show the impact of the waiver in 2017 by ex parte dated August 16, 2017. Terral hereby provides further information concerning the impact of the waiver on Terral's revenues.

Specifically, Attachment 1 provides further detail on the shifts in revenues between ICLS/CAF BLS, High Cost Loop Support (HCLS), special access and Oklahoma state universal service support if the waiver is granted. The first column shows Terral's revenues under the current frozen separations factors before ICLS/CAF BLS and HCLS are capped via FCC rules. The second column shows the projected reduction in revenue from the first column caused by the FCC's rules capping ICLS/CAF BLS and HCLS. The third column shows Terral's revenues after the FCC's

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caps are implemented and with the separations freeze. The fourth column shows Terral's revenues if the waiver is granted before ICLS/CAF BLS and HCLS are capped via FCC rules. The fifth column shows the projected reduction in revenue from the fourth column caused by the FCC's rules capping ICLS/CAF BLS and HCLS. The sixth column shows Terral's revenues by category with the FCC's caps implemented and with the waiver granted. The seventh column shows the total revenue impact to Terral if the waiver is granted.

Attachment 1 also shows Terral's NECA special access settlement and its billed special access revenue under the separations freeze and what it would be if the waiver is granted.

Attachments 2 and 3 provide the same categories of information as Attachment 1, except Attachment 2 assumes that Terral adds 1 additional Ethernet circuit and Attachment 3 assumes that Terral adds 2 additional Ethernet circuits.

Attachment 4 shows Terral's actual reported 2016 special access revenue per month in 2016. Attachments 5 and 6 show how private line revenue would increase per month if Terral adds 1 additional Ethernet circuit and 2 additional Ethernet circuits, respectively.

Terral seeks grant of its waiver to be able to appropriately allocate its costs to the interstate jurisdiction, which will position Terral to be able to expand its broadband customer base. In addition, grant of the waiver will reduce Terral's ICLS/CAF BLS and HCLS revenues, which will reduce the amount of revenue impacted by the FCC's universal service support cap mechanisms. This in turn will reduce pressure on the state universal service fund. It is projected that Terral's total combined capped ICLS/CAF BLS and USF HCLS revenue will remain unchanged if the waiver is granted. Accordingly, grant of the waiver should have no adverse impact on federal universal service support.

Accordingly, Terral renews its request that the Commission act expeditiously on Terral's pending waiver.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

/s/ Mary J. Sisak

cc: Rhonda Lien

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# **ATTACHMENT 1**

[REDACTED]

USF & NECA IMPACT	WITH FREEZE	CAP WITH FREEZE	TOTAL W/FREEZE	WITH WAIVER	CAP WITH WAIVER	TOTAL W/WAIVER	DIFFERENCE
2016 ICLS/CAF BLS	393,936	(278,583)	115,353	175,191	(56,853)	118,338	2,985
2017-1 USF HCLS (EOY 2016)	907,199	(641,552)	265,647	388,853	(126,191)	262,662	(2,985)
2016 CAF ICC (2017 CY)	290,964		290,964	290,964		290,964	-
2016 NECA SPECIAL ACCESS	[REDACTED]		[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
ESTIMATED OKLAHOMA USF	[REDACTED]	920,135	920,135	[REDACTED]	183,044	183,044	(737,091)
TOTAL	[REDACTED]	-	[REDACTED]	[REDACTED]	-	[REDACTED]	[REDACTED]
NECA SPECIAL ACCESS SETTLEMENT							
BILLED SPECIAL ACCESS REVENUE							
RRQ (TOTAL IS SPECIAL ACCESS CASH FLOW)							

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## **ATTACHMENT 2**



USF & NECA IMPACT	WITH FREEZE	CAP WITH FREEZE	TOTAL W/FREEZE	WITH WAIVER	CAP WITH WAIVER	TOTAL W/WAIVER	DIFFERENCE
2016 ICL5/CAF BLS	393,936	(278,583)	115,353	175,191	(56,853)	118,338	2,985
2017-1 USF HCLS (EOY 2016)	907,199	(641,552)	265,647	388,853	(126,191)	262,662	(2,985)
2016 CAF ICC (2017 CY)	290,964		290,964	290,964		290,964	-
2016 NECA SPECIAL ACCESS							
ESTIMATED OKLAHOMA USF		920,135	920,135		183,044	183,044	(737,091)
TOTAL							
NECA SPECIAL ACCESS SETTLEMENT							
BILLED SPECIAL ACCESS REVENUE							
RRQ (TOTAL IS SPECIAL ACCESS CASH FLOW)							

Assumes same rate band for ETS Rates

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## **ATTACHMENT 3**

USF & NECA IMPACT	WITH FREEZE	CAP WITH FREEZE	TOTAL W/FREEZE	WITH WAIVER	CAP WITH WAIVER	TOTAL W/WAIVER	DIFFERENCE
2016 ICLS/CAF BLS	393,936	(278,583)	115,353	175,191	(56,853)	118,338	2,985
2017-1 USF HCLS (EOY 2016)	907,199	(641,552)	265,647	388,853	(126,191)	262,662	(2,985)
2016 CAF ICC (2017 CY)	290,964		290,964	290,964		290,964	-
2016 NECA SPECIAL ACCESS							
ESTIMATED OKLAHOMA USF		920,135	920,135		183,044	183,044	(737,091)
TOTAL							
NECA SPECIAL ACCESS SETTLEMENT							
BILLED SPECIAL ACCESS REVENUE							
RRQ (TOTAL IS SPECIAL ACCESS CASH FLOW)							

Assumes same rate band for ETS Rates

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## **ATTACHMENT 4**

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## **ATTACHMENT 5**

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## **ATTACHMENT 6**